

**BOULDER TOWN**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

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# Kimball & Roberts

Certified Public Accountants

A Professional Corporation

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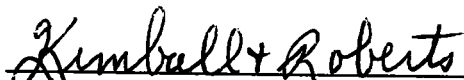
Honorable Mayor and Town Board  
Boulder Town  
Boulder, Utah 84716

We have compiled the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Boulder Town as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion, or any other form of assurance, on them.

As described in Note 1 to the basic financial statements, the Town adopted Governmental Accounting Standards Board Statements No. 33 and 34 and GASB interpretation 6 as of and for the year ending June 30, 2005.

The management's discussion and analysis and budgetary comparison information, on pages 4 through 8 and 27 through 29, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

November 4, 2005  
Richfield, Utah

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**BOULDER TOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2005**

The discussion and analysis of Boulder Town for the year ending June 30, 2005 and provides an overview of the Town's financial activities. This report is in conjunction the Town's financial statements, which are part of this report.

**Financial Highlights:**

- The assets of the Town exceeded its liabilities at the close of the most recent year by \$755,634 (*net assets* ). Of this amount, \$65,993 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations.
- As of the close of the current calendar year, the Town's governmental funds reported an ending fund balance of \$154,073, a decrease of \$20,997. Of this fund balance \$66,194 is available for spending at the Town's discretion (*unreserved fund balance*) .
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$44,222 or 38% of total general fund expenditures.
- The Town has no long-term debt.

**Using This Annual Report**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Town's assets, liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent calendar year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both the government-wide financial statements distinguish functions of the Town that are principally supported by assessed fees assessed as taxes and other funds from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town are general government, highways and streets, parks, recreation and cemetery.

The government-wide financial statements can be found on pages listed in the table of contents.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only governmental fund is the general fund.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with these budgets.

The basic financial statements can be found as listed in the table of contents.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

### **Condensed Financial Statements:**

#### **Net Assets:**

	<u>Governmental Activities</u> <u>2005</u>
Assets:	
Current	154,073
Non-Current	<u>601,762</u>
Total Assets	<u>755,835</u>
Liabilities:	
Current	-
Long-Term	<u>-</u>
Total Liabilities	<u>-</u>

**Condensed Financial Statements - continued.****Net Assets (Continued):**

	Governmental Activities
	<u>2005</u>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Debt	601,762
Restricted	87,879
Unrestricted	<u>66,194</u>
Net Assets	<u>755,835</u>

**Changes in Net Assets:**

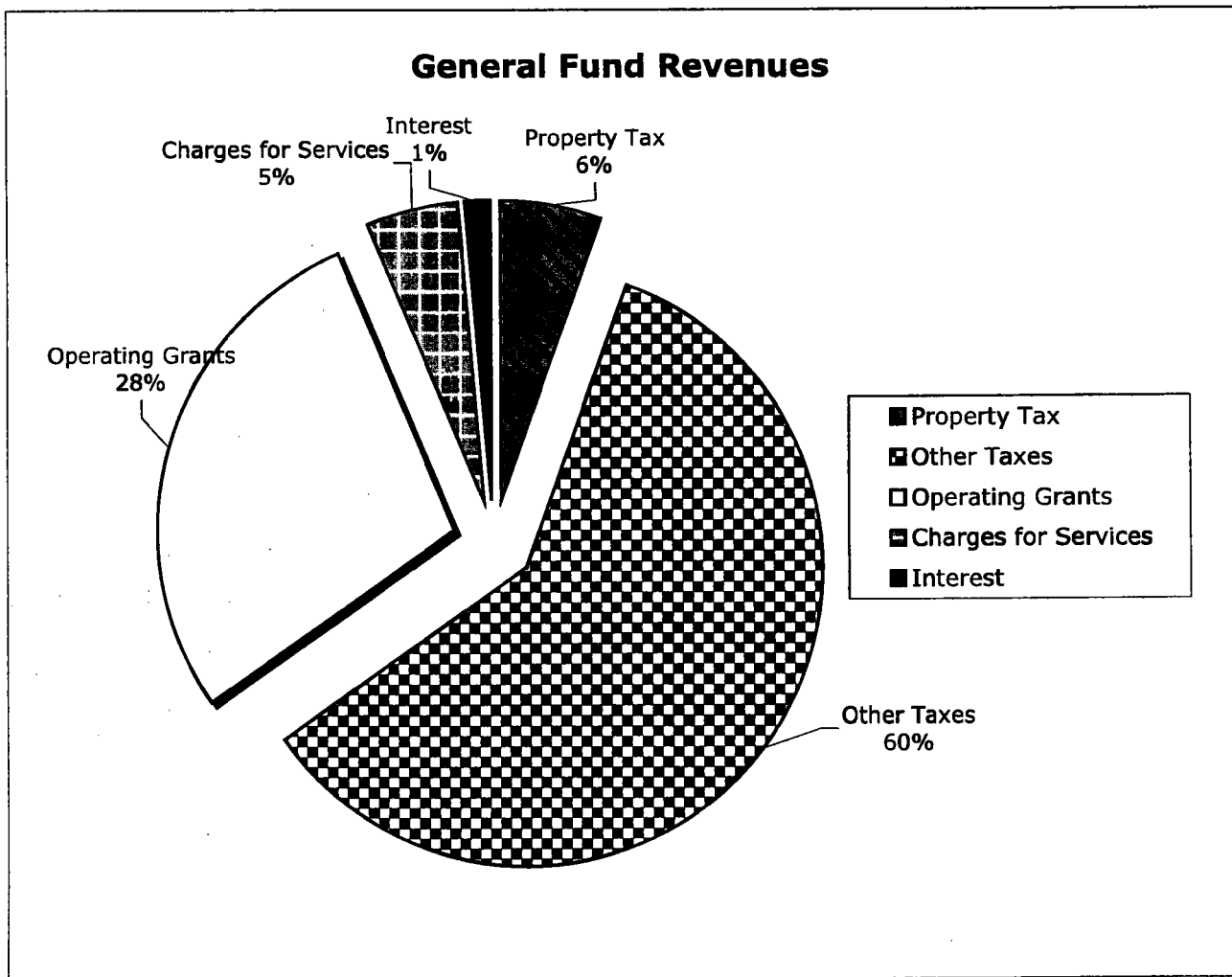
Revenues:	
General Revenues	91,154
Grants	<u>5,427</u>
Total Revenues	<u>96,581</u>
Expenditures:	
Current	<u>137,217</u>
Total Expenditures	<u>137,217</u>
Change in Net Assets	(40,636)
Beginning Net Assets	<u>796,471</u>
Ending Net Assets	<u>755,835</u>

**Contacting the Town.**

This financial report is designed to provide the citizens with a general overview of the Town's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Boulder Town, P.O. Box 1329, Boulder, UT 84716.

**Boulder Town  
General Fund Revenues  
For The Fiscal Year Ended June 30, 2005**

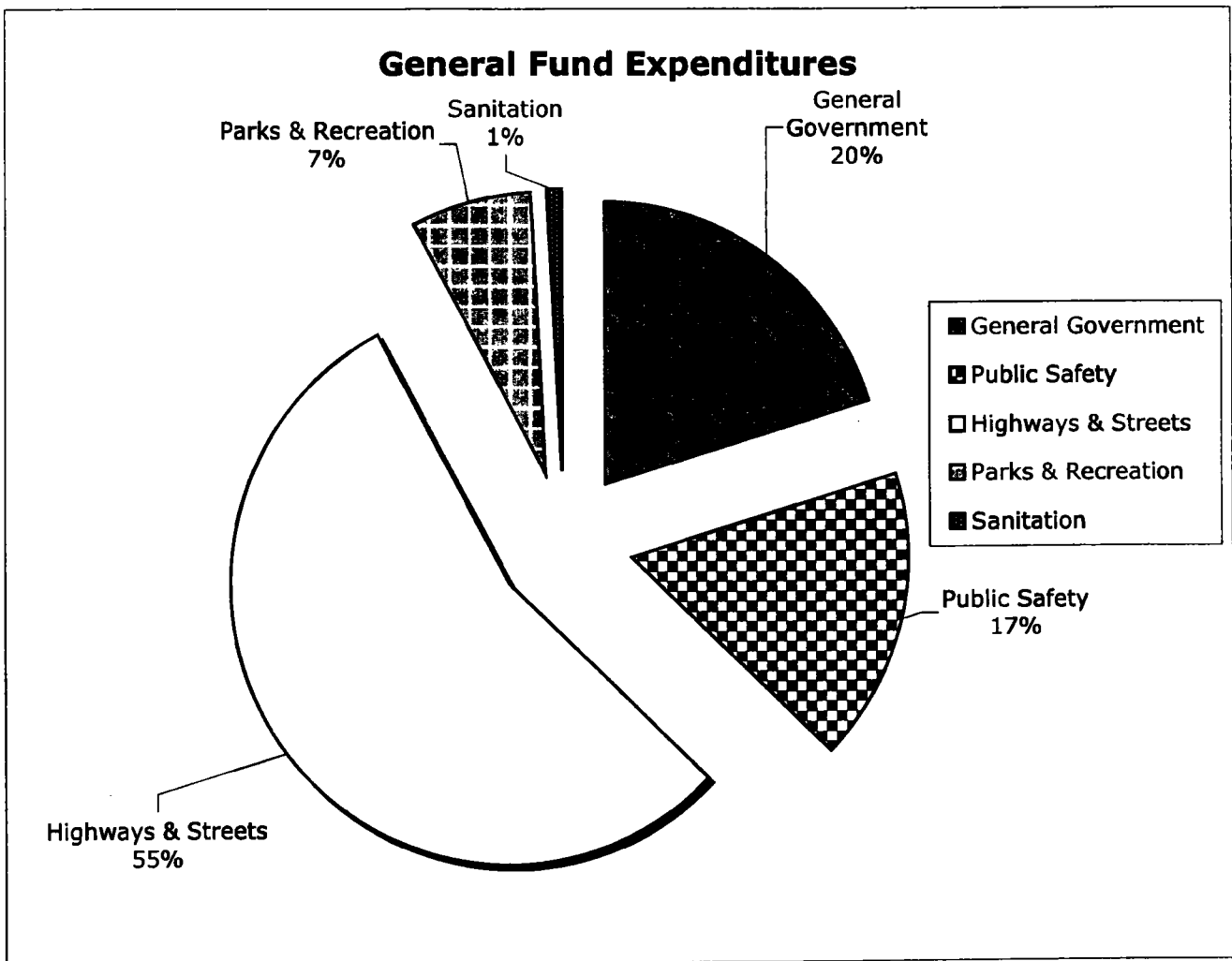
Property Tax	5,403
Other Taxes	57,684
Operating Grants	27,389
Charges for Services	4,885
Interest	<u>1,220</u>
Total	<u><u>96,581</u></u>





**Boulder Town  
General Fund Expenditures  
For The Fiscal Year Ended June 30, 2005**

General Government	27,868
Public Safety	23,037
Highways & Streets	75,707
Parks & Recreation	9,288
Sanitation	<u>1,317</u>
Total	<u><u>137,217</u></u>



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## **BASIC FINANCIAL STATEMENTS**

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**BOULDER TOWN  
STATEMENT OF NET ASSETS**

**June 30, 2005**

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	<u>154,073</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	57,170
Buildings	149,576
Equipment	173,041
Infrastructure	203,175
Construction In Progress	<u>18,800</u>
Total Noncurrent Assets	<u>601,762</u>
<b>TOTAL ASSETS</b>	<u><u>755,835</u></u>
<b>LIABILITIES</b>	
Current Liabilities	<u>-</u>
<b>NET ASSETS</b>	
Investment in Capital Assets, Net of Debt	601,762
Restricted For:	
Class C Road	77,589
Liquor Law Funds	4,231
Landfill	6,059
Unrestricted	<u>66,194</u>
<b>TOTAL NET ASSETS</b>	<u><u>755,835</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>755,835</u></u>

See accompanying notes and accountant's report.

**BOULDER TOWN  
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2005

Function/Programs Primary Government:	Program Revenues			Net (Expense) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities      Total
Governmental Activities:					
General Government	27,695	2,836	-	-	(24,859)
Public Safety	23,037	726	3,707	-	(18,604)
Highways and Public Improvements	75,707	-	20,682	-	(55,025)
Sanitation	1,317	-	-	-	(1,317)
Culture and Recreation	9,461	1,323	3,000	-	(5,138)
Total Primary Government	<u>137,217</u>	<u>4,885</u>	<u>27,389</u>	<u>-</u>	<u>(104,943)</u>
General Revenues:					
Property Taxes					5,003
Fee-In-Lieu of Property Taxes					400
Sales Taxes					26,516
Resort Tax					29,174
Telecommunications Tax					1,994
Unrestricted Investment Earnings					1,220
Total General Revenues and Transfers					<u>64,307</u>
Change in Net Assets					(40,636)
Net Assets - Beginning					<u>796,471</u>
Net Assets - Ending					<u><u>755,835</u></u>

See accompanying notes and accountant's report.

**BOULDER TOWN  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2005

	General Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>154,073</u>
<b>TOTAL ASSETS</b>	<u><u>154,073</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	<u>-</u>
Fund Balances:	
Reserved For:	
Class "C" Road	77,589
Liquor Law	4,231
Landfill	6,059
Designated	21,972
Undesignated, Reported In:	
General Fund	<u>44,222</u>
<b>Total Fund Balance</b>	<u>154,073</u>
<b>TOTAL LIABILITIES AND AND FUND BALANCE</b>	<u><u>154,073</u></u>

See accompanying notes and accountant's report.

**BOULDER TOWN  
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**June 30, 2005**

Total Fund Balances - Governmental Fund Types	154,073
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	57,170	
Buildings	149,576	
Equipment	173,041	
Infrastructure	203,175	
Construction In Progress	<u>18,800</u>	

Total		<u>601,762</u>
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Net Assets of Government Activities	<u><u>755,835</u></u>
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**BOULDER TOWN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes	63,087
Licenses and Permits	848
Intergovernmental Revenue	27,389
Charges for Services	2,113
Interest	1,220
Rents and Concessions	1,095
Miscellaneous Revenues	<u>829</u>
Total Revenues	<u>96,581</u>
<b>Expenditures:</b>	
Current:	
General Government	26,815
Public Safety	5,213
Highways and Public Improvements	53,132
Sanitation	1,317
Culture and Recreation	9,461
Capital Outlay	<u>21,640</u>
Total Expenditures	<u>117,578</u>
Net Change In Fund Balance	(20,997)
Fund Balance - Beginning	<u>175,070</u>
Fund Balance - Ending	<u><u>154,073</u></u>

See accompanying notes and accountant's report.



**BOULDER TOWN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2005**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net Changes in Fund Balances - Total Governmental Funds	(20,997)
---	----------

Governmental funds report capital outlays as expenditures. However, in  
the statement of activities the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlays exceeded depreciation in the current period:

Construction In Progress	18,800	
Depreciation Expense	<u>(38,439)</u>	
Total		<u>(19,639)</u>

Changes In Net Assets of Governmental Activities	<u><u>(40,636)</u></u>
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**BOULDER TOWN  
NOTES TO FINANCIAL STATEMENTS**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Boulder Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2005.

The following is a summary of the more significant policies:

**A. Reporting Entity**

Boulder Town is a municipal corporation in Garfield County, Utah. It is governed by an elected Mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Boulder Town, the reporting entity. The Town has no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Boulder Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**BOULDER TOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Building Improvements	20 Years
Fire Trucks	20 Years
Infrastructure	20 Years
Television Equipment	7 Years

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Property Tax Calendar**

- |             |  |
|-------------|--|
| January 1   | Lien Date - All property appraised based upon situs and status as of this date (real and personal).  |
| March 1     | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.   |
| June 22     | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.   |
| July 22     | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates.   |
| November 1  | County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.   |
| November 1  | County auditor to charge the county treasurer to account for all taxes levied.   |
| November 1  | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.  |
| November 30 | Taxes on real property become delinquent.  |

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgets and Budgetary Accounting:**

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing (no time period given for towns) in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction. The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the Town Board in the month of May, the mayor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the Town Board makes final adjustments to the tentative budget.
4. On or before June 22, the Town Board adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The Town Board may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the Town Board.
8. Proprietary Fund budgets may be increased without a public hearing by resolution of the Town Board.
9. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Fiscal Procedures Act for Utah Towns require local municipalities to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**G. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Cash and investments as of June 30, 2005, consist of the following:

	<u>Fair Value</u>
Cash on Hand	10
Demand Deposits - Checking	148,004
Investment - PTIF	<u>6,059</u>
Total Cash and Investments	<u><u>154,073</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	<u><u>154,073</u></u>
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The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasures. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invest in, and for some investments, the amount of time to maturity.

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

**Deposit and Investment Risk:**

The Town maintains no investment policy containing any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk and concentration of credit risk other than that imposed by UMMA. The Town's compliance with the provisions of UMMA addressed each of these risks.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investment of the Town are available immediately.

**Credit Risk:**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. All of the Town's demand deposits are covered by FDIC insurance.

Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.



**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	50,210	-	-	50,210
Land Under Roads	6,960	-	-	6,960
Construction In Progress	-	18,800	-	18,800
 Total Capital Assets Not Being Depreciated	 <u>57,170</u>	 <u>18,800</u>	 <u>-</u>	 <u>75,970</u>
 Capital Assets Being Depreciated:				
Buildings and Improvements	204,696	-	-	204,696
Machinery and Equipment	253,894	-	-	253,894
Infrastructure	451,500	-	-	451,500
 Total Capital Assets Being Depreciated	 <u>910,090</u>	 <u>-</u>	 <u>-</u>	 <u>910,090</u>
 Less Accumulated Depreciation For:				
Buildings and Improvements	50,183	4,937	-	55,120
Machinery and Equipment	69,926	10,927	-	80,853
Infrastructure	225,750	22,575	-	248,325
 Total Accumulated Depreciation	 <u>345,859</u>	 <u>38,439</u>	 <u>-</u>	 <u>384,298</u>
 Total Capital Assets Being Depreciated (Net)	 <u>564,231</u>	 <u>(38,439)</u>	 <u>-</u>	 <u>525,792</u>
 Governmental Activities Capital Assets, Net	 <u>621,401</u>	 <u>(19,639)</u>	 <u>-</u>	 <u>601,762</u>

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	880
Public Safety	14,984
Highways and	<u>22,575</u>
Total Depreciation Expense	<u><u>38,439</u></u>

**NOTE 4 - CLASS "C" ROAD**

The Town receives Class "C" Road money from the State of Utah for road construction and Maintenance. The unexpended portion of this money is shown as reserved fund balance in the financial statements. The following is a schedule of receipts and disbursements in Class "C" Roads:

Balance - Beginning of Year	109,290
Receipts:	
State Allotments	20,682
Interest	<u>693</u>
Total Receipts	21,375
Disbursements	<u>(53,076)</u>
Balance - End of Year	<u><u>77,589</u></u>

**NOTE 5 - DESIGNATED FUND BALANCE**

The following fund balance has been designated by the Town:

Business Alliance	1,230
Capital Projects	4,700
Park Development	9,384
Town Hall	411
Fire Department	3,394
Water membership	2,700
Cemetery	<u>153</u>
Total Designated Fund Balance	<u><u>21,972</u></u>

**BOULDER TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 6 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is insured through Scottsdale Indemnity Company.

**Liability:**

The Town is insured for \$2,000,000 general aggregate limit. Bodily injury and property damage limit \$1,000,000 each occurrence. Personal injury and advertising injury limit \$1,000,000 each offense and employee benefits injury limit of \$1,000,00. Fire, lightning or explosion limit of \$500,000. Medical payments \$5,000 any one person. Products-completed operations limit \$2,000,000. There is a \$500 deductible each occurrence or offense. Public officials liability coverage \$1,000,000 each wrongful act with an annual aggregate of \$1,000,000 and a \$1,000 deductible each public official wrongful act.

**Automobile Liability:**

The Town is insured for automobile bodily injury by State Farm Insurance Company. Property damage \$1,000,000 aggregate each policy period. The coverage also covers uninsured motorist \$50,000 each accident and \$50,000 each policy period.

**Property:**

All of the property coverage is insured through Scottsdale Indemnity Company. Buildings are covered based on replacement cost subject to a \$500 deductible.

The Town has not experienced any significant reduction in insurance coverage from the previous year but it has paid settlements in excess of insurance coverage in the past three fiscal years.

**NOTE 7 - UTAH STATE RETIREMENT PLANS**

Boulder Town does not participate in the Utah State Retirement Plan.

(This page contains no information and  
is used to assist in formatting, for easier reading)

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**BOULDER TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2004	<u>175,070</u>	<u>175,070</u>	<u>175,070</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	4,600	4,600	4,275	(325)
Delinquent Property Taxes	600	600	728	128
General Sales and Use Taxes	24,000	24,000	26,516	2,516
Fee-In-Lieu	50	50	400	350
Resort Tax	20,000	20,000	29,174	9,174
Telecommunications Tax	-	-	1,994	1,994
Total Taxes	<u>49,250</u>	<u>49,250</u>	<u>63,087</u>	<u>13,837</u>
Licenses and Permits:	<u>850</u>	<u>850</u>	<u>848</u>	<u>(2)</u>
Intergovernmental Revenue:				
Class C Road	21,000	21,000	20,682	(318)
State Liquor Allotment	928	928	1,280	352
Federal Grant	4,920	4,920	3,000	(1,920)
Garfield County Grant	<u>2,400</u>	<u>2,400</u>	<u>2,427</u>	<u>27</u>
Total Intergovernmental Revenue	<u>29,248</u>	<u>29,248</u>	<u>27,389</u>	<u>(1,859)</u>
Charges for Services:				
General Fees and Charges	<u>1,500</u>	<u>3,311</u>	<u>2,113</u>	<u>(1,198)</u>
Miscellaneous Revenue:				
Interest	1,000	1,000	1,220	220
Rents and Concessions	1,100	1,100	1,095	(5)
Miscellaneous	1,811	-	829	829
Use of Fund Balance	<u>61,638</u>	<u>79,918</u>	<u>-</u>	<u>(79,918)</u>
Total Miscellaneous Revenue	<u>65,549</u>	<u>82,018</u>	<u>3,144</u>	<u>(78,874)</u>
Amounts Available for Appropriation	<u>321,467</u>	<u>339,747</u>	<u>271,651</u>	<u>(68,096)</u>

Continued

**BOULDER TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows):				
General Government:				
Administration	36,841	29,641	25,411	4,230
Non-Departmental	1,529	1,529	1,404	125
Other	4,843	-	-	-
Total General Government	<u>43,213</u>	<u>31,170</u>	<u>26,815</u>	<u>4,355</u>
Public Safety:				
Fire Department	<u>6,663</u>	<u>7,663</u>	<u>5,213</u>	<u>2,450</u>
Highway and Public Improvements:				
Repairs and Maintenance	<u>75,000</u>	<u>75,000</u>	<u>53,132</u>	<u>21,868</u>
Culture and Recreation:				
Recreation	2,200	5,172	2,709	2,463
Cemetery	500	500	272	228
Parks	8,299	6,420	6,480	(60)
Total Culture and Recreation	<u>10,999</u>	<u>12,092</u>	<u>9,461</u>	<u>2,631</u>
Sanitation	<u>3,807</u>	<u>7,307</u>	<u>1,317</u>	<u>5,990</u>
Capital Outlay	<u>6,715</u>	<u>31,445</u>	<u>21,640</u>	<u>9,805</u>
Total Charges to Appropriations	<u>146,397</u>	<u>164,677</u>	<u>117,578</u>	<u>47,099</u>
Budgetary Fund Balance - June 30, 2005	<u>175,070</u>	<u>175,070</u>	<u>154,073</u>	<u>(20,997)</u>

**BOULDER TOWN  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Sources/Inflows and Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	271,651
<b>Differences - Budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(175,070)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>96,581</u></u>
<b>Uses/Outflows of Resources:</b>	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	117,578
<b>Differences - Budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>117,578</u></u>